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Signed and Filed: December 20, 2016

A handwritten signature in black ink, appearing to read "Hannah L. Blumenstiel".

HANNAH L. BLUMENSTIEL
U.S. Bankruptcy Judge
UNITED STATES BANKRUPTCY COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re)	Case No. 16-31325 HLB
)	Chapter 11
WRAP MEDIA, LLC)	
)	
Debtor.)	

In re)	Case No. 16-31326 HLB
)	Chapter 11
WRAP MEDIA, INC.)	
)	
Debtor.)	

)	<u>Respondent: Silicon Valley Bank</u>
<input type="checkbox"/> Affects LLC)	
<input type="checkbox"/> Affects Inc.)	
<input checked="" type="checkbox"/> Affects BOTH DEBTORS)	

**INTERIM ORDER (I) AUTHORIZING DEBTORS TO OBTAIN
POSTPETITION FINANCING PURSUANT TO SECTION 364 OF THE
BANKRUPTCY CODE, (II) AUTHORIZING THE USE OF CASH
COLLATERAL PURSUANT TO SECTION 363 OF THE BANKRUPTCY
CODE, (III) GRANTING LIENS AND SUPERPRIORITY
CLAIMS, AND (IV) SCHEDULING A FINAL HEARING ON THE DEBTORS'
MOTION TO INCUR SUCH FINANCING ON A PERMANENT BASIS**

This matter is before the Court on the motion (the "Motion") filed by the above-captioned debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases (the "Case") requesting entry of an interim order (this "Interim Order"), and following a final hearing, a final order (the "Final Order"), among other things:

1 (1) Authorizing and approving, pursuant to sections 105, 361, 362, 363 and 364
2 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2002, 4001, and 9014 of the
3 Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for Debtors, as borrower, to
4 obtain postpetition financing up to the principal amount of \$3,000,000 (the “DIP Facility”), of which
5 up to the principal amount of \$350,000 will be available under this Interim Order, from Wrap Media
6 Holdings, LLC or its designee, as lead lender and lender agent (“Lead Lender” and “Lender Agent”),
7 and other lenders to be identified (together with Lead Lender, “Lender”), pursuant to the terms of the
8 DIP Loan Agreement¹ (as defined below), to: (A) fund general operating needs of the Debtors
9 pursuant to a Budget, (B) pay certain expenses of administration of the Case, and (C) pay
10 amounts owed to Lender under the DIP Loan Agreement (obligations under the DIP Facility and
11 under this Interim Order, including, without limitation, principal, interest, fees and expenses, and
12 other obligations and amounts due from time to time under the DIP Loan Agreement shall be
13 referred to hereinafter collectively as the “Postpetition Indebtedness”);

14 (2) Authorizing and empowering the Debtors to execute and enter into the DIP
15 Loan Agreement and to perform such other and further acts as may be required in connection with
16 the DIP Loan Agreement;

17 (3) providing, pursuant to section 364(c) of the Bankruptcy Code, that the
18 obligations under the DIP Facility:

19 a. shall have priority over any and all administrative expenses,
20 diminution claims and all other claims against the Debtors, now existing or hereafter arising, of any
21 kind whatsoever, including without limitation, all administrative expenses of the kind specified in, or
22 ordered pursuant to, sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546(c), 726, or
23 1114 of the Bankruptcy Code or otherwise, which allowed superpriority claims of Lender (the “DIP
24 Superpriority Claims”) shall be payable from, and have recourse to, all prepetition and postpetition
25 property of the Debtors as provided herein, provided, however, that the DIP Superpriority Claims
26 shall be subject to the Carve-Out (as defined below);

27
28 ¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the DIP Loan Agreement (as defined below).

1 b. shall be secured by a valid, binding, continuing, enforceable, fully-
2 perfected senior lien on, and security interest in, the “Senior Collateral” consisting of (a) the
3 Intellectual Property (as defined in the DIP Loan Agreement), subject to the SVB Replacement Lien,
4 (b) the Control Account (as defined in the DIP Loan Agreement), and (c) any other prepetition and
5 postpetition property of the Debtors, whether now existing or hereafter acquired, that is not subject
6 to a valid, perfected and unavoidable lien in existence immediately prior to the Petition Date, in each
7 case subject to the Carve-Out;

8 c. shall be secured by a valid, binding, continuing, enforceable, fully-
9 perfected junior lien on, and security interest in, the “Junior Collateral” consisting of (a) any
10 Collateral that is subject to a valid, perfected and unavoidable lien under the SVB Indebtedness (as
11 defined in the DIP Loan Agreement), and (b) any other prepetition and postpetition property of the
12 Debtors, whether now existing or hereafter acquired, that is subject to valid, perfected and
13 unavoidable liens in existence immediately prior to the Petition Date (as defined below), or to valid
14 and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the
15 Petition Date as permitted by Section 546(b) of the Bankruptcy Code, which security interests and
16 liens in favor of Lender shall be junior to such valid, perfected and unavoidable liens, in each case
17 subject to the Carve-Out (the “DIP Collateral” consists of the Senior Collateral and the Junior
18 Collateral);

19 d. authorizing the Debtors pursuant to sections 361 and 363(c) and (e) of
20 the Bankruptcy Code to use Cash Collateral (as defined under section 363 of the Bankruptcy Code)
21 in which Lender asserts an interest as a result of the DIP Facility;² and

22 (4) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the “Final
23 Hearing”) before this Court to consider entry of the Final Order approving the DIP Facility and
24 authorizing the use of Cash Collateral, all on a final basis, as set forth in the Motion.

25 Pursuant to Bankruptcy Rules 4001(b) and 4001(c)(1), due and sufficient notice under the
26 circumstances of the Motion and the interim hearing on the Motion before this Court to consider
27 entry of this Interim Order (the “Interim Hearing”) having been provided by the Debtors, and the
28

² Use of Cash Collateral in which Silicon Valley Bank asserts an interest will be addressed by separate order.

1 Interim Hearing having been held on December 14, 2016], and the Court having considered of all the
2 pleadings filed with this Court, including any objections to the relief requested in the Motion that
3 were not withdrawn or resolved at or prior to the hearing; and upon the record made by the Debtors
4 at the Interim Hearing and the Declarations of Eric Greenberg and Douglas Abrams in support of the
5 Motion, and after due deliberation and consideration and good and sufficient cause appearing
6 therefore;

7 **IT IS HEREBY FOUND:**

8 A. On December 10, 2016 (the "Petition Date"), the Debtors commenced in this
9 Court a case under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their
10 business and manage their properties as debtors in possession pursuant to sections 1107 and 1108 of
11 the Bankruptcy Code.

12 B. No request for the appointment of a trustee or examiner has been made in this
13 Case. No official committee of unsecured creditors has yet been appointed or designated by the U.S.
14 Trustee's office.

15 C. This Court has subject matter jurisdiction to consider this matter pursuant to
16 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before
17 this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

18 D. The Debtors' business has an immediate need for financing under the DIP
19 Facility and use of Cash Collateral in order to permit, among other things, the orderly continuation
20 of the operation of its business, to maintain business relationships with vendors, suppliers and
21 customers, to make payroll, to make capital expenditures and to satisfy other working capital and
22 operational, financial and general corporate needs. The access of the Debtors to sufficient working
23 capital and liquidity through the incurrence of new indebtedness for borrowed money and other
24 financial accommodations and use of Cash Collateral is vital to the preservation and maintenance of
25 the going concern value of the Debtors and to the success of the Case. Without such credit and use
26 of Cash Collateral, the Debtors would not be able to operate their business and the Debtors' estates
27 would be irreparably harmed.
28

1 E. The Debtors are unable to obtain sufficient financing from sources other than
2 Lender on terms more favorable than under the DIP Loan Agreement and all the documents and
3 instruments delivered pursuant thereto or in connection therewith. The Debtors have been unable to
4 obtain sufficient unsecured credit solely under section 503(b)(1) of the Bankruptcy Code as an
5 administrative expense. New credit is unavailable to the Debtors without providing Lender with the
6 benefit of the DIP Superpriority Claims and the DIP Liens as provided herein and in the DIP Loan
7 Agreement.

8 F. Pending entry of the Final Order, Lender is willing to provide financing to the
9 Debtors and/or consent to the use of Cash Collateral and other Collateral by the Debtors subject to
10 (i) the entry of this Interim Order, (ii) the terms and conditions of the DIP Loan Agreement, and
11 (iii) findings by the Court that such interim postpetition financing and use of Cash Collateral is
12 essential to the Debtors' estates, that the terms of such interim financing and use of Cash Collateral
13 were negotiated in good faith and at arm's length, and that the DIP Liens, DIP Superpriority Claims,
14 and the other protections granted pursuant to this Interim Order and the DIP Loan Agreement with
15 respect to such interim financing and use of Cash Collateral will not be affected by any subsequent
16 reversal, modification, vacatur, or amendment of this Interim Order or any other order, as provided
17 in section 364(e) of the Bankruptcy Code. Without limiting the foregoing, any advances made to the
18 Debtors under the DIP Loan Agreement after entry of this Interim Order and prior to entry of the
19 Final Order shall be entitled to the protections provided by section 364(e) of the Bankruptcy Code.
20 Lender has acted in good faith in, as applicable, negotiating, consenting to and agreeing to provide
21 the postpetition financing arrangements and/or use of Cash Collateral on an interim basis as
22 contemplated by this Interim Order and the other DIP Loan Agreement, and the reliance by Lender
23 on the assurances referred to above is in good faith.

24 G. Telephonic, facsimile notice or overnight mail notice of the Interim Hearing
25 and the proposed entry of this Interim Order has been provided to (a) the twenty (20) largest
26 creditors listed in the Debtors' list of creditors (excluding insiders), (b) the Office of the United
27 States Trustee for the Central District of California (the "U.S. Trustee"), (c) Silicon Valley Bank
28 ("SVB") and any other secured party, (d) the Debtors' landlord, and (e) any other party that has filed

1 a request for notice pursuant to Bankruptcy Rule 2002 or is required to receive notice under the
2 Bankruptcy Rules and Local Bankruptcy Rules. Under all the exigent circumstances, the requisite
3 notice of the Motion and the relief requested thereby and this Interim Order has been provided in
4 accordance with Bankruptcy Rule 4001.

5 H. The Debtors have requested immediate entry of this Interim Order pursuant to
6 Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent entry of this Interim Order, the Debtors'
7 business, properties and estates will be immediately and irreparably harmed.

8 I. The ability of the Debtors to finance their operations and the availability to the
9 Debtors of sufficient working capital and other financial and general corporate liquidity through the
10 incurrence of new indebtedness for borrowed money and other financial accommodations, and use of
11 Cash Collateral are in the best interests of the Debtors and their creditors and estates.

12 J. Based upon the record presented by the Debtors to this Court: (i) the terms of
13 the DIP Facility and use of Cash Collateral are the best available under the circumstances, reflect the
14 Debtors' exercise of prudent business judgment consistent with their fiduciary duty, and are
15 supported by reasonably equivalent value and fair consideration; and (ii) the DIP Facility and use of
16 Cash Collateral have been negotiated in good faith and at arm's length among the Debtors and
17 Lender, and any loans, credit, use of Cash Collateral or other financial accommodations set forth in
18 this Interim Order shall be deemed to have been extended, issued, made, or consented to, as the case
19 may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code.

20 **THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

21 1. Disposition. The Motion is granted as set forth in this Interim Order. Any
22 objections that have not previously been withdrawn or resolved at the hearing are hereby overruled.
23 This Interim Order shall immediately become effective upon its entry.

24 2. Authorization to Borrow Under the DIP Facility. As of the date hereof,
25 Debtors and Lender are deemed to have executed and delivered all documents comprising that
26 certain *Secured Super-Priority Debtors-in-Possession Loan Agreement* (as amended or
27 supplemented, the "DIP Loan Agreement"), and the requirements of the DIP Loan Agreement shall
28 be binding on the Debtors. Provided that the Debtors are not in default under the terms of this

1 Interim Order or the DIP Loan Agreement, the Debtors are authorized to borrow under the DIP
2 Facility from Lender, in accordance with the terms and conditions of the DIP Loan Agreement and
3 in the amounts and at the times (subject to applicable variances) set forth in the budget attached
4 hereto as **Exhibit A** (the “DIP Budget”), up to \$350,000 in an aggregate principal amount of
5 advances, and to use amounts borrowed under the DIP Facility to fund the Debtors’ working capital,
6 administrative expenses, and other general corporate needs pending the Final Hearing in accordance
7 with the terms of the DIP Loan Agreement and this Interim Order.

8 3. DIP Superpriority Claims. For the Postpetition Indebtedness, Lender is
9 granted, pursuant to section 364(c)(1) of the Bankruptcy Code, subject only to the payment of the
10 Carve-Out, the allowed DIP Superpriority Claims, which claims shall be payable from and have
11 recourse to, in addition to the DIP Collateral, any unencumbered prepetition or postpetition property
12 of the Debtors whether now existing or hereafter acquired. The DIP Superpriority Claims shall be
13 deemed legal, valid, binding, enforceable, and perfected claims, not subject to subordination,
14 impairment or avoidance other than as provided herein, for all purposes in the Case and any
15 successor case.

16 4. DIP Liens. As security for the repayment of the Postpetition Indebtedness
17 arising under the DIP Loan Agreement, pursuant to sections 364(c)(2) and (c)(3) of the Bankruptcy
18 Code, Lender is hereby granted the liens on the DIP Collateral (the “DIP Liens”). The DIP Liens are
19 valid, binding, enforceable and fully perfected as of the date hereof.

20 5. Carve-Out.

21 (a) As used in this Interim Order, the term “Carve-Out” shall mean a
22 carve-out for (i) allowed, accrued, but unpaid professional fees and expenses of the Debtors and any
23 official committee of unsecured creditors appointed in the Case, in each case as set forth in the DIP
24 Budget (on a cumulative basis) incurred prior to an Event of Default (as defined in the DIP Loan
25 Agreement) not otherwise cured by the Debtors or waived by Lender, (ii) allowed, accrued, but
26 unpaid professional fees and expenses of the Debtors or any subsequently appointed chapter 7
27 trustee incurred in the Case after an Event of Default (that is not waived or cured) not to exceed an
28 amount equal to \$35,000, and (iii) the payment of fees pursuant to 28 U.S.C. § 1930; provided that

1 the Carve-Out, any Cash Collateral and any proceeds of the DIP Facility may not be used to
2 prosecute, contest or otherwise challenge the validity, perfection, priority, extent, or enforceability of
3 the DIP Facility, or the liens securing the DIP Facility, or any claims against Lender in its capacity
4 as such.

5 (b) Notwithstanding anything herein to the contrary, no Collateral, Cash
6 Collateral, amounts borrowed under the DIP Loan Agreement, proceeds of any of the foregoing, or
7 any portion of the Carve-Out shall include, apply to, or be available for, any fees or expenses
8 incurred by any party, including the Debtors or any committee, in connection with (A) the initiation
9 or prosecution of (or soliciting or encouraging other parties to assert) any claims, causes of action,
10 adversary proceedings, or other litigation against Lender in its capacity as such, or (B) any
11 avoidance actions against Lender in its capacity as such. The foregoing shall not be construed as
12 consent to the allowance of any estate professional fees and shall not affect the right of the Debtors,
13 Lender, or other parties in interest to object to the allowance and payment of any estate professional
14 fees. Payment of any portion of the Carve-Out shall not, and shall not be deemed to, reduce any of
15 the Debtors' obligations owed to Lender.

16 6. Adequate Protection to SVB. Solely to the extent of any diminution in the
17 value of the interests of SVB in the Junior Collateral, SVB shall have, pursuant to sections 361 and
18 363(e) of the Bankruptcy Code, an additional security interest and lien in the Intellectual Property
19 (the "SVB Replacement Lien"), which lien shall (a) be senior to the DIP Liens with respect to the
20 Intellectual Property (but shall be junior to the DIP Liens with respect to the remaining Senior
21 Collateral, including the Control Account), and (b) be junior and subordinate to the Carve Out.

22 7. Section 506(c) and 552(b) Waivers. Effective upon entry of a Final Order
23 providing for such relief, with the exception of the Carve-Out and except as otherwise permitted by
24 the DIP Facility or this Interim Order, neither the DIP Collateral nor Lender, nor any of its claims,
25 shall be subject to any costs or expenses of administration that have been or may be incurred at any
26 time, pursuant to sections 105, 506(c) or 552 of the Bankruptcy Code, or otherwise, by the Debtors
27 or any other party in interest without the prior written consent of Lender, and no such consent shall
28 be implied from any action, inaction, or acquiescence by any party, including, but not limited to,

1 funding of the Debtors' ongoing operations by Lenders. Effective upon entry of a Final Order
2 providing for such relief, the "equities of the case" exception contained in section 552(b) of the
3 Bankruptcy Code shall be deemed waived with respect to the DIP Collateral. Lender shall not be
4 subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP
5 Collateral.

6 8. Authorization to Use Cash Collateral. Upon entry of this Interim Order and
7 during the term hereof, the Debtors are authorized pursuant to sections 105, 361, 363, 541 and 553
8 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014, to use Cash Collateral in which
9 Lender maintains an interest in accordance with the DIP Budget. The Debtors' authority to use Cash
10 Collateral, including any proceeds of the DIP Loan Agreement contained in the Collateral Account
11 or otherwise, shall cease immediately upon the giving of notice by the Lender of the occurrence of
12 an Event of Default (as defined in the DIP Loan Agreement), except as may otherwise be ordered by
13 the Bankruptcy Court.

14 9. Reimbursement of Fees and Expenses. Upon entry of this Interim Order, the
15 Debtors shall reimburse Lender Agent in accordance with the terms of the DIP Loan Agreement for
16 its reasonable costs and fees, provided however, that the Debtors, upon receipt of invoices from
17 Lender Agent, shall provide copies of the same to the U.S. Trustee and counsel for any committee.
18 None of such costs, fees, charges, and expenses shall be subject to Court approval or required to be
19 maintained in accordance with the U.S. Trustee Guidelines and no recipient of any such payment
20 shall be required to file with respect thereto any interim or final fee application with the Court;
21 provided, however, that the Court shall have jurisdiction to determine any dispute regarding the
22 reasonableness of any such costs, fees, charges and expenses. The payment of such fees and costs in
23 amounts in excess of those set forth in the DIP Budget will not result in a breach of the DIP Loan
24 Agreement.

25 10. Additional Perfection Measures. Lender shall not be required to file financing
26 statements, mortgages, deeds of trust, security deeds, notices of lien, or similar instruments in any
27 jurisdiction, or take any other action, to attach or perfect the security interests and liens granted
28 under the DIP Loan Agreement and this Interim Order (including, without limitation, taking

possession of or obtaining control over any of the DIP Collateral, or taking any action to have security interests or liens noted on certificates of title or similar documents). Notwithstanding the foregoing, Lender may, in its discretion, file this Interim Order or such financing statements, mortgages, deeds of trust, notices of lien, or similar instruments, or otherwise confirm perfection of such liens, security interests, and mortgages, without seeking modification of the automatic stay under section 362 of the Bankruptcy Code, and all such documents shall be deemed to have been filed or recorded or other action taken on the Petition Date, with the priorities set forth herein; provided, that the failure of Lender to file any such financing statement, mortgage, deed of trust, notice of lien or other instrument, or to otherwise confirm perfection of such liens, security interests or mortgages or make any other such request shall not affect either the perfection or priority of the DIP Liens.

11. Remedies Upon Event of Default.

(a) Acceleration. After the occurrence and continuance of an Event of Default (as defined in the DIP Loan Agreement) and upon five (5) Business Days' written notice following such Event of Default from Lender to the Debtors, if the Debtors have not within such five (5) day period either (A) cured any such Event of Default; or (B) obtained an order from the Court excusing Debtors' performance or otherwise determining that no such Event of Default has occurred, Lender shall have the right to declare the entire unpaid principal amount of any outstanding advances under the DIP Facility, together with all accrued but unpaid interest and any unpaid fees and expenses incurred by Lender, immediately due and payable. The Debtors waive presentment, protest, demand, notice of dishonor and all other requirements of any kind. Lender's failure to exercise any right or remedy under the DIP Facility or acceptance of partial or delinquent payments, shall not be a waiver of any obligation of the Debtors or right of Lender, or constitute Lender's waiver of any other default subsequently occurring.

(b) Automatic Stay. After the occurrence and continuance of an Event of Default (as defined in the DIP Loan Agreement) and upon seven (7) Business Days' written notice following such Event of Default from Lender to the Debtors, if the Debtors have not within such seven (7) day period otherwise obtained an order from the Court maintaining the automatic stay, the

1 automatic stay provided in Section 362 of the Bankruptcy Code shall be deemed modified and
2 Lender shall have the right to exercise any of the remedies under the DIP Facility loan documents,
3 including any rights and remedies provided herein and the right to realize on the DIP Collateral
4 without further relief or order of this Court.

5 (c) Binding Effect. The provisions of this Interim Order shall be binding
6 upon and inure to the benefit of Lender, the Debtors and their respective successors and assigns,
7 including any trustee hereafter appointed for the estates of either of the Debtors, whether in the Case
8 or any successor case, including the conversion of the Case to a case under chapter 7 of the
9 Bankruptcy Code. Such binding effect is an integral part of this Interim Order.

10 12. Survival. The provisions of this Interim Order and any actions taken pursuant
11 hereto shall survive the entry of any order (a) confirming any plan under chapter 11 of the
12 Bankruptcy Code in the Case (and, to the extent not satisfied in full in cash, the Postpetition
13 Indebtedness shall not be discharged by the entry of any such order, or pursuant to
14 section 1141(d)(4) of the Bankruptcy Code), (b) approving any sale under section 363 of the
15 Bankruptcy Code, (c) converting the Case to a chapter 7 case unless permitted under the DIP Loan
16 Agreement, or (d) to the maximum extent permitted by law, dismissing the Case unless permitted
17 under the DIP Loan Agreement, and notwithstanding the entry of any such order, the terms and
18 provisions of this Interim Order shall continue in full force and effect, and the DIP Superpriority
19 Claims and DIP Liens granted pursuant to this Interim Order and/or the DIP Loan Agreement shall
20 continue in full force and effect and shall maintain their priority as provided by this Interim Order
21 and the DIP Loan Agreement to the maximum extent permitted by law until all of the Postpetition
22 Indebtedness is indefeasibly paid in full in cash or otherwise addressed pursuant to a confirmed plan.

23 13. Credit Bid. The Lead Lender's ability to exercise its rights to credit bid the
24 Postpetition Indebtedness authorized by this Interim Order, either pursuant to a sale under Section
25 363 of the Bankruptcy Code or pursuant to a plan of liquidation for the Debtors, shall be subject to
26 further order of the Court. The foregoing (a) shall be subject to reconsideration or modification at
27 the Final Hearing, and (b) shall not diminish or affect the validity, priority, perfection or
28 enforceability of the DIP Liens authorized by this Interim Order.

1 14. Findings of Fact and Conclusions of Law. This Interim Order constitutes
2 findings of fact and conclusions of law and shall take effect and be fully enforceable immediately
3 upon the entry thereof.

4 15. Controlling Effect of Order. To the extent any provision of this Interim Order
5 conflicts with any provision of the Motion, any documents executed or delivered prior to the Petition
6 Date, or the DIP Loan Agreement, the provisions of this Interim Order shall control.

7 16. Final Hearing. The Final Hearing shall be heard before this Court on January
8 18, 2017, at 1:00 p.m. (PST) at the United States Bankruptcy Court for the Northern District of
9 California, Courtroom 19 on the 16th Floor of the Federal Building, 450 Golden Gate Avenue, San
10 Francisco, California.

11 17. Adequate Notice. The notice given by the Debtors of the Interim Hearing was
12 given in accordance with Bankruptcy Rule 4001(c)(2). Any party in interest objecting to the relief
13 sought in the Final Order shall submit any such objection in writing and file same with the Court and
14 serve (so as to be received) such objection no later than January 11, 2017, at 5:00 p.m. (PST).

15 * * * END OF ORDER * * *

Court's Service List

All persons entitled to service are ECF registered

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EXHIBIT A

(DIP Budget)

Wrap Media
Short Term Cash Plan
(As of 12/10/16)

	<u>12/15/2016</u>	<u>12/31/2016</u>	<u>Total Dec 2016</u>	<u>1/15/2016</u>	<u>1/31/2017</u>	<u>Total Jan 2017</u>
Beginning Unrestricted Cash (12/10/16)	291,248	179,570	291,248	142,559	18,289	142,559
DiP Loan Proceeds	0	200,000	200,000	150,000	0	150,000
AR Cash Receipts	0	30,000	30,000	40,000	40,000	80,000
Payroll & Related Taxes	(91,678)	(183,710)	(275,389)	(163,710)	(203,710)	(367,421)
Employee Health Benefits	0	0	0	(30,000)	0	(30,000)
Engineering Expenses	0	(14,000)	(14,000)	(12,500)	(38,500)	(51,000)
Sales & Marketing Expenses	(10,000)	(20,000)	(30,000)	(45,000)	(20,000)	(65,000)
Admin & Office Expenses	(10,000)	(37,300)	(47,300)	(54,060)	(21,300)	(75,360)
Legal Fees	0	(12,000)	(12,000)	0	(12,000)	(12,000)
Interest Payments			0	(9,000)	(1,000)	(10,000)
Ending Unrestricted Cash	179,570	142,559	142,559	18,289	(238,222)	(238,222)
Cash In	0	230,000	230,000	190,000	40,000	230,000
Cash Out	(111,678)	(267,010)	(378,689)	(314,270)	(296,510)	(610,781)
Net Change in Unrestricted Cash	(111,678)	(37,010)	(148,689)	(124,270)	(256,510)	(380,781)
Total Non-Payroll OPEX Costs	(20,000)	(83,300)	(103,300)	(111,560)	(91,800)	(203,360)

Wrap Media, LLC - Operating Plan

Ending Cash Projection	Cash Receipts	DiP Loan	SVB & DiP Loan Interest	Actual Pymts	Non Payroll Expected Costs	Health Benefits	Payroll, Taxes & Commissions	Gross Burn	Ending Unrestricted Cash
12/15/2016					(20,000)		(91,678)	(111,678)	179,570
12/31/2016	30,000	200,000			(83,300)		(183,710)	(37,010)	142,559
1/15/2016	40,000	150,000	(9,000)		(111,560)	(30,000)	(163,710)	(124,270)	18,289
1/31/2016	40,000		(1,000)		(91,800)		(203,710)	(256,510)	(238,222)
2/15/2016	50,000		(9,000)		(111,560)	(30,000)	(183,710)	(284,270)	(522,492)
2/28/2016	50,000		(1,750)		(91,800)		(203,710)	(247,260)	(769,753)
3/15/2016	50,000		(9,000)		(111,560)	(30,000)	(183,710)	(284,270)	(1,054,023)
3/31/2016	50,000		(1,750)		(91,800)		(203,710)	(247,260)	(1,301,283)
4/15/2016	50,000		(9,000)		(111,560)	(30,000)	(183,710)	(284,270)	(1,585,554)
4/30/2016	50,000		(1,750)		(91,800)		(203,710)	(247,260)	(1,832,814)

Wrap Media
Non-Headcount Related Costs

<u>Engineering Expenses</u>	Full Month	Dec 15 Pymt	Dec 31 Pymt	Jan 15th & On Pymts	Jan 31th & On Pymts	
Abstracta	9,000		9,000		9,000	R&D consultants
Design Consultants	15,000			7,500	7,500	Design Consultants
Eammune/Infosec	12,000				12,000	Security/enterprise-readiness consultants
EPC IT Solutions	5,000		5,000		5,000	IT consulting
Other Engineering	10,000			5,000	5,000	R&D consulting
Total Engineering Expenses	51,000	-	14,000	12,500	38,500	
<u>Sales & Marketing Expenses</u>						
MediaLink	25,000			25,000		Marketing, lead-gen
Travel & Related Expenses	30,000	5,000	10,000	15,000	15,000	Travel & Related Expenses
Sales Consultants	10,000	5,000	10,000	5,000	5,000	Sales Consultant
Total Sales & Marketing Expenses	65,000	10,000	20,000	45,000	20,000	
<u>Admin & Office Expenses</u>						
275 Sacramento Street, LLC	2,000		2,000		2,000	Electricity
Beautiful	6,000		3,000	3,000	3,000	Cafeteria
Canteen Refreshment Services	4,000		4,000		4,000	Cafeteria
Court Admin - US Trustee Fee	2,000				2,000	US Trustee Fee
Credit Card Charges (See Below)	40,760			40,760		Credit Card Chages
Office Admin Temp	5,000		3,000	2,500	2,500	Clerical and Admin Work
Kranz & Associates	10,000		5,000	5,000	5,000	Finance & Accounting Consultant
Misc	5,000	10,000	5,000	2,500	2,500	Misc Office Admin
Lender Admin Fees			15,000			Admin fees for Lender
The Fruit Guys	600		300	300	300	Cafeteria
Total Admin & Office Expenses	75,360	10,000	37,300	54,060	21,300	
<u>Legal Fees</u>						
Baker McKenzie	1,000					International Legal
Beyer Law Group LLP	5,000					IP Legal
Fenwick & West, LLP	5,000					General Legal
Harvey Siskind	2,000					IP Legal
Law Office of Erik Riegler	5,000					General Legal
Pachulski Stang Ziehl & Jones LLP	12,000		12,000		12,000	Trustee Legal
South Gate	2,000					International Legal
Total Legal Fees	32,000	-	12,000	-	12,000	
Total Non-Headcount Related Costs	223,360	20,000	83,300	111,560	91,800	

<u>Credit Card Charges</u>	Budget (on CC)	Dec 15 Pymts	Dec 31 Pymts	Jan 15th & On Pymts	Jan 31th & On Pymts	Comments
8X8, INC.	500					Telecom
Adobe Systems	625					SW tool subscription
AT&T	500					Telecom
Atlassian	930					SW tool subscription
Amazon Web Services	22,000					Bandwidth/hosting
BambooHR	500					SW tool subscription
Bill.com, Inc	100					SW tool subscription
Bohemian Coding	99					SW tool subscription
Browser Stack	39					SW tool subscription
Chatlio	49					SW tool subscription
Cirrus	84					SW tool subscription
CloudCraft	49					SW tool subscription
CLOUDFLARE	20					SW tool subscription
Easy DNS	75					Bandwidth/hosting
Eden	1,360					Office/meal setup/take-down
Elev.io	79					SW tool subscription
Expensify	180					SW tool subscription
EZTexting	100					SW tool subscription
FEDEX	500					Postage
First Republic Bank	197					Bank Fees
GETTY IMAGES	399					SW tool subscription
GitHub	300					SW tool subscription
Google	500					SW tool subscription
Gum	198					SW tool subscription
Harvest	149					SW tool subscription
Intuit	40					SW tool subscription
iStock	170					SW tool subscription
Jfrog	98					SW tool subscription
LeapFin	500					SW tool subscription

Misc Charges	1,000
Motion.ai	50
New Relic	2,700
Office Supplies	500
PagerDuty	885
Optimizley	400
Pingdom	15
SHUTTERSTOCK, INC	199
Slack	400
SpeedCurve	45
Status Page	99
Sumome	100
Twilio	300
Typeform	70
Verizon	958
Zuora	2,700

Misc
SW tool subscription
SW tool subscription
Office Supplies
SW tool subscription
SW tool subscription
SW tool subscription
SW tool subscription
SW tool subscription
SW tool subscription
SW tool subscription
SW tool subscription
SW tool subscription
Telecom
SW tool subscription

Total Credit Card Charges	40,760			40,760	0
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